

COLLEGE COSTS RISE AS AID LAGS

Now is Not the Time for More Cuts to Education

The College Board released its 2005 “Trends in Student Aid” and “Trends in College Pricing” reports. These reports show it’s getting harder for families to pay for college:

- The cost of college (even after adjusting for inflation and available student financial aid) has increased each year since 2001.
- Tuition and fees at four-year public colleges have climbed 46 percent - nearly six times faster than Pell scholarships - since 2001.
- The maximum Pell Grant has increased only 8 percent since 2001 and the maximum Pell Grant has been frozen at \$4,050 since fiscal year 2003.
- The portion of public college expenses paid by the Pell Grant dropped from 42 percent in 2001 to 36 percent in 2004 and to a record low of 33 percent in 2005.

Further cuts to Education will only make a bad situation worse. Republican policies have already failed to help students overcome financial barriers to college:

- In the Appropriations bill passed this year, House Republicans provide for only a \$50.00 increase in the maximum Pell Grant in 2006 – a tiny increase that will be jeopardized if the discretionary budget is cut two percent. As a result, the purchasing power of Pell Grants will likely drop again next year, even if college costs rise only slightly.
- Republicans are also preparing to eliminate other student aid programs including Perkins Loans for low- and moderate-income families and LEAP grants.
- The Republican reconciliation plan slashes \$9 billion from student loans, the same reconciliation plan that pays for \$21 billion of capital gains and dividend tax cuts – two tax cuts that provide little benefit to middle class families, but are a windfall for the wealthiest Americans.

PORTION OF 4-YEAR PUBLIC COLLEGE COSTS PAID BY THE PELL GRANT

